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**FISCAL IMPACT STATEMENT**

**LS 7001**

**BILL NUMBER:** SB 413

**NOTE PREPARED:** Feb 27, 2012

**BILL AMENDED:** Feb 27, 2012

**SUBJECT:** Various Education Matters.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:** Rep. Behning

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** ☒ **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Education Service Centers*: This bill amends the definition of educational service center. It repeals provisions relating to the establishment and administration of an educational service agency by the Indiana State Board of Education (State Board).

*Curricular Materials*: The bill replaces the definition of textbook with curricular materials. It provides that the Indiana Department of Education (Department) shall determine the process for evaluating the curricular materials' alignment to academic standards and the appropriateness of the reading level of the curricular materials. The bill also requires the Department to describe the method used to evaluate curricular materials within the earlier of: (1) 18 months after the adoption of standards by the State Board; or (2) six years after the previous review of curricular materials. It provides, that in order for a publisher's curricular materials to be included in the Department's report, the publisher must: (1) make the curricular materials available for sale to schools for a period of not less than six years; and (2) provide a grant or license to the school corporation to allow for reproduction of the adopted curricular materials in large type, Braille, and audio formats. The bill makes changes to the subject matter that the Department must provide a listing and summary review showing that the curricular material are aligned to academic standards. It repeals the requirement that a superintendent of a school corporation forward a list of the curricular materials selected by the superintendent.

*Staff Evaluations*: This bill makes changes to the process in which a school corporation may modify the Department's Model Staff Performance Evaluation Plan.

*Unused School Buildings*: The bill provides that for purposes of the sale or lease of an unused school building, a charter school must include an entity seeking final approval from a sponsor to operate a charter school. It

provides that the failure by a superintendent or governing body to list an unused school building with the department or to transfer an unused school building to a charter school that has properly requested the building may lead to state funding being withheld from the school. The bill specifies that a school corporation retains any debt associated with a school building sold to a charter school.

*Academic Freedom to Teach Scientific Evidence Regarding Controversial Scientific Subjects:* The bill provides that the State Board, the Department, governing bodies, superintendents, and principals shall endeavor to encourage students to explore scientific questions, learn about scientific evidence, develop critical thinking skills, and respond appropriately and respectfully to differences of opinion about scientific controversies. It provides that the State Board, the Department, governing bodies, superintendents, and principals may not prohibit a teacher in a public school from helping a student understand, analyze, critique, and review in an objective manner the scientific strengths and scientific weaknesses of existing scientific theories covered in the course being taught.

*Charter School Loans:* The bill provides that a charter school or a successor entity operating the charter school that is closed or not renewed by its sponsor, which then becomes sponsored by a different sponsor, may not qualify for federal or state start up funding or loans. It provides that the charter school or a successor entity retains responsibility for paying back any loans secured by the closed or non-renewed charter school or successor entity.

*Criminal History Check:* The bill provides that an "expanded criminal history check", for purposes of education law, requires a national criminal history background check. It eliminates other types of permissible record searches under current law.

*Teacher of the Year:* The bill replaces the Ambassador for Education Program with provisions that allow a teacher of the year to serve one year of professional leave with the Department of Education or a postsecondary educational institution.

*Obsolete Programs:* The bill abolishes the following programs, entities, or requirements concerning various education matters:

1. Technology Apprenticeship Grant Program.
2. Corporation for Educational Technology, including the Buddy System Project.
3. Education consultant for health and physical education.
4. Principal Leadership Academy.
5. School Grant Writing and Fund Raising Assistance Program.
6. Technology Preparation Task Force.
7. Research and Development Program concerning various studies and evaluations.
8. Educational Technology Council.
9. Teacher Quality and Professional Improvement Program.
10. Committee on Educational Attitudes, Motivation, and Parental Involvement.
11. Readiness Testing.
12. Student Services Programs.
13. Twenty-first Century Schools Pilot Program.
14. Anti-gang Counseling Pilot Program and Fund.
15. Department of Education Review of Professional Development Programs.
16. Performance Based Awards.
17. ISTEP Program Citizens' Review Committee.

18. A requirement that a course in safety education be taught to eighth graders.

*ISTEP Test:* The bill deletes provisions concerning the availability of ISTEP essay questions for inspection by students and parents. It provides that: (1) a student's parent may request a rescoring of the student's responses to an ISTEP test, including the student's essay; or (2) a school may request a rescoring only if there is evidence that the test score is not accurate.

The bill deletes obsolete provisions concerning testing schedules.

*School Bus Inspection & Registration:* The bill requires school bus inspectors to attach to the bus a certificate of inspection and document the certification in the School Bus Inspection Data Base. It changes the registration deadline for school bus owners who are not school corporations from July 29 to September 30.

The bill repeals a provision that establishes an Advisory Committee for the School Intervention and Career Counseling Development Program. .

The bill deletes references to statutes repealed during the 2011 legislative session.

The bill makes conforming changes and technical corrections.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** *Curricular Materials:* The bill replaces the definition of textbook with curricular materials. The definition of curricular materials is the same as the definition of textbooks in current law. The definition includes:

1. Books.
2. Hardware that will be consumed, accessed, or used by a single student during a semester or year.
3. Computer software.
4. Digital content.

Textbooks are currently on a 6-year adoption cycle which is the same as curricular materials.

The change from textbooks to curricular materials should be minor or no fiscal impact.

*Unused School Buildings:* The bill requires the Department to order a public hearing to discuss the failure by a superintendent or governing body to list an unused school building with the Department or to transfer an unused school building to a charter school and to withhold state funds if the hearing is not held within 180 days. The provision should have minor fiscal impact on the state.

(Revised) *Teacher of the Year:* Replacing the Ambassador for Education Program with provisions which allow a Teacher of the Year to serve one year of professional leave with the Department of Education or a postsecondary educational institution should have no additional fiscal impact.

(Revised) *Obsolete Programs:* According to the Department, the 18 programs listed for elimination have had no staff or activity associated with the programs for the last few years. The elimination of the programs should have no fiscal impact.

(Revised) *Charter School Loans*: A charter school that closes or does not have its charter renewed and reopens under the same or different name can not eligible qualify for federal or state start-up funding or loans unless prior loans have been repaid. The provision should have minor fiscal impact.

(Revised) *ISTEP Test*: Currently, the state must allow each student or the student's parent to inspect the following:

1. A copy of the essay questions and prompts used in assessing the student.
2. A copy of the student's scored essays.
3. A copy of the anchor papers and scoring rubrics used to score the student's essays.

The parent can also currently request a rescoring of the test.

Eliminating these options to review the test should reduce the cost of administering the test. When test questions and the rubrics associated with the questions are made public, the questions can not be used for several years, so more new questions must be developed each year. It is currently unknown how much might be saved if fewer new questions have to be developed annually. Allowing a school to request a rescoring only if there is evidence that the test score is not accurate should reduce some costs.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Education Service Centers*: There are currently nine education service centers that cover the state of Indiana. Education Service Centers operate in a specific geographic region and schools have to use the center in their region. The bill would allow schools to create additional centers to serve their common needs. The impact would depend on the education service centers created and what services they provide. Schools pay for the services obtained from their current revenue streams.

*Curricular Materials*: Changing the definition of textbook to curricular materials and the corresponding changes to the period the material can be used and availability of materials should have no fiscal impact.

(Revised) *Unused School Buildings*: The bill requires that any debt associated with a school building that a school district sells to a charter school to be retained by the school district.

The bill does not allow a school to sell a school building to a nonprofit or not-for profit organization if a charter school has indicated an interest in the building. It also does not allow a school to sell a building to another governmental entity for more than the fair market value of the building. The impact would depend on the number of unused school buildings.

The bill removes the requirement that a school building that initial appeared on the Department of Education unused-school list must remain on the list for two years. The provision could allow a school to remove the building after one year if they needed the building.

A school corporation that plans to reuse the school building for instruction within the next 2 years does not have to include the building on the list. The provision could save schools building cost if they plan on using a school within 2 years.

If a school corporation fails to list an unused school building with the Department or to transfer an unused school building to a charter school, then the Department shall order a public hearing to discuss the failure to

list the building. If the school corporation does not hold the hearing within 180 days from the date of the Department's order, the Department may withhold a portion of the state funding to the school until the hearing is held. The impact would depend on the number of schools that refused to hold the hearing. The impact is probably minor.

(Revised) *Criminal History Check*: The change should have no fiscal impact on schools. The employee under IC 20-26-5-10 is required to pay the cost of the required criminal history check.

*Background*: A national criminal history background check means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification. The cost of a national criminal history checks is about \$33 which is paid by the employee.

Under current law the required expanded criminal history check includes the national criminal background check along with the following:

1. A search of the records maintained by all counties in Indiana in which the individual who is the subject of the background check resided.
2. A search of the records maintained by all counties or similar governmental units in another state, if the individual who is the subject of the background check resided in another state.

(Revised) *Cursive Writing*: The bill should not increase school expenditures. In the past, cursive writing was part of the curriculum. Cursive writing instruction might have to replace some other instruction currently done by schools.

(Revised) *School Bus Inspection & Registration*: The bill changes the deadline for registration of a school bus that is not owned by a school corporation from July 29 to September 29 of each year. The same number of buses would be inspected but the State Police would have an additional month to do the inspection and document the certification in the State Police's School Bus Inspection Data Base for school buses that are not owned by a school corporation. The provision should have no fiscal impact. Approximately 14,000 school buses are inspected each year.

(Revised) *Academic Freedom to Teach Scientific Evidence Regarding Controversial Scientific Subjects*: Requiring the State Board, the Department, governing bodies, superintendents, and principals to encourage students to explore scientific questions, learn about scientific evidence, develop critical thinking skills, and respond appropriately and respectfully to differences of opinion about scientific controversies should have no fiscal impact.

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Schools.

#### **Information Sources:**

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